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September 26, 2014

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Docket Control Center
Arizona Corporation Commission
1200 West Washington St.
Phoenix, AZ 85007

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

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RE: Docket Nos: T-03654A-11-0167
T-02438B-11-0167
T-03658A-11-0167
T-04176A-11-0167
T-03708A-11-0167

Arizona Corporation Commission
DOCKETED
OCT - 1 2014

Decision 72431
Required Updates

DOCKETED BY
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To the Arizona Commission:

In compliance with the required updates in connection with the above referenced dockets, Level 3, on behalf of itself and affiliate companies, provides the following:

1. Status of plans related to the transaction to increase employees and investment in Arizona.
 - A. As the Commission is aware, Level 3 is in the midst of acquiring tw telecom of ariznoa llc (Docket No. 03654A-14-0252 et. al.), which transaction received an administrative closure letter from the Commission on September 22, 2014. Level 3 expects that as a result of that transaction it will add a greater number of employees in AZ.

In the beginning of 2012, Level 3 had 277 active employees working in AZ. By the end of that year, Level 3 had 299 employees, an almost 8% increase.

Finally, Level 3 participates in a program named "Operations Academy", part of which is run out of Arizona. While to date this program has accounted for a small portion of new hires, it is expected that Level 3 further invest in this program and will be growing the program in the AZ area.
2. Any changes in the status of Debt Financing
 - B. Level 3 remains committed to decreasing its leverage level to between 3-5x. To that end, since the beginning of 2013 until June 30, 2014, the last reported financial period, Level 3 has decreased net leverage from ~5.3x to 4.4x (see link reflected below for 2Q14 earnings for more details). Nonetheless, we continue to focus on decreasing leverage going forward to the low end of the 3-5x range. In addition, during 2Q14 earnings, Level 3 reiterated free cash flow guidance for 2014 of \$250-\$300 million. This may help further accelerate our deleveraging objectives. <http://investors.level3.com/investor-relations/press-releases/press-release-details/2014/Level-3-Reports-Second-Quarter-2014-Results/default.aspx>

Should the Commission have any questions, as to the preceding, please feel free to contact me.

Sincerely,

CERTIFICATE OF SERVICE

I, Diane L. Peters, hereby certify that on September 30, 2014, I served copies of Level 3 Communications, LLC required Annual Update in Docket Nos: T-036544A-11-0167, T-02438B-11-0167, T-03658A-11-167, T-04176A-11-0167, and T-03708A-11-0167, Decision 72431 on the following parties by way of U.S. mail:

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Diane L. Peters

Diane L. Peters

09/30/14

Date